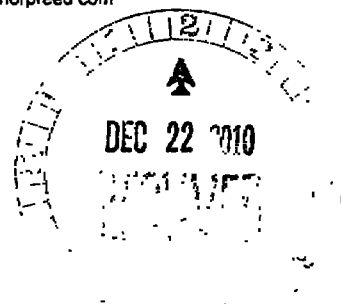




ATTORNEYS AT LAW SINCE 1895

Eric M. Hocky
Direct Dial 215 640 8523
Email ehocky@thorpreed.com



VIA FEDEX

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street SW
Washington, DC 20024

December 21, 2010

228520

Re: STB Finance Docket No. 35458
Gabriel D. Hall
- Corporate Family Acquisition Exemption -
U S Rail New York, LLC And U S RAIL Corporation

Dear Ms. Brown:

Enclosed for filing in the above-referenced proceeding are the original and 10 copies of the Notice of Exemption of Gabriel D. Hall. Also enclosed is our check in the amount of \$1400 representing the filing fee.

Please time stamp the extra copy of this letter to indicate receipt and return it to me in the self addressed envelope provided for your convenience.

Please let me know if there are any questions regarding this filing.

Respectfully,

Eric M. Hocky

EMH/c

Enclosures

cc: All parties shown on the service list

FEE RECEIVED

DEC 22 2010

**SURFACE
TRANSPORTATION BOARD**

FILED
DEC 22 2010
SURFACE
TRANSPORTATION BOARD

First copy

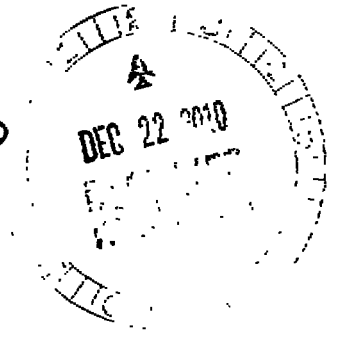
Second copy

Third copy

Fourth copy

Thorpe Reed & Armstrong, LLC
One Commerce Square
2000 Market Street
Suite 1700
Philadelphia, PA 19103-7001
Tel: 215 640 8523
Fax: 215 640 8524

228520



BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35458

GABRIEL D. HALL

- CORPORATE FAMILY ACQUISITION EXEMPTION -

U S RAIL NEW YORK, LLC AND U S RAIL CORPORATION

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1180.2(d)(2)

FEE RECEIVED
DEC 9 2010
SURFACE
TRANSPORTATION BOARD

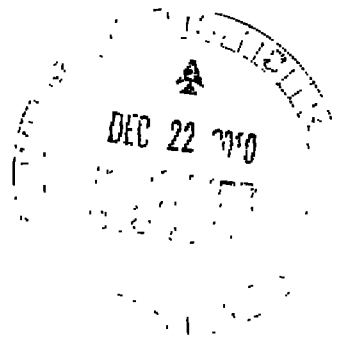
FILED
DEC 22 2010
SURFACE
TRANSPORTATION BOARD

ERIC M. HOCKY
THORP REED & ARMSTRONG, LLP
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103
(215) 640-8500

Dated: December 21, 2010

Attorneys for Gabriel D. Hall

BEFORE THE
SURFACE TRANSPORTATION BOARD
STB FINANCE DOCKET NO. 35458



GABRIEL D. HALL
- CORPORATE FAMILY ACQUISITION EXEMPTION -
U S RAIL NEW YORK, LLC AND U S RAIL CORPORATION

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1180.2(d)(2)

Gabriel D. Hall ("Hall" or "Applicant"), an individual, files this Notice of Exemption pursuant to 49 C.F.R. §1180.2(d)(3) to exempt from the provisions of 49 U.S.C. §11323, a transaction within the family of business entities in which he owns controlling interests. The creation of U S Rail New York, LLC ("USR-NY") and the ensuing acquisition by USR-NY of the leasehold rights, and the construction and operation rights of U S RAIL Corporation ("US RAIL") related to the Brookhaven Rail Terminal, will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family.

Required Information

In accordance with the provisions of 49 C.F.R. 1180.4(g), Applicant provides the following information as required by 49 C.F.R. §1180.6(a)(1)(i)-(iii), (a)(5), (a)(6), and (a)(7)(ii):

(a)(1)(i) Hall owns a majority of the issued and outstanding shares of stock of U S RAIL Corporation, a Class III carrier with operating authority in Ohio, Indiana and New York. He also controls U S Rail Corporation of New Jersey ("USR-NJ"). *See Gabriel D. Hall – Continuance in Control Exemption – U S Rail Corporation of New Jersey*, STB Finance Docket

No. 35318 (served November 27, 2009).¹ After a contested proceeding at the Board, U S RAIL was recently granted authority to construct and operate the Brookhaven Rail Terminal. *See U S RAIL Corporation – Construction and Operation Exemption – Brookhaven Rail Terminal*. STB Docket No. FD 35141 (served September 9, 2010). To facilitate financing of the construction, Hall has formed a new Michigan limited liability company called U S Rail New York, LLC in which he owns a majority of the issued and outstanding equity interests. Applicant proposes to have U S RAIL assign its STB construction and operation authority to USR-NY, together with the leasehold interest in the underlying property.² The assignment would be effective when the exemption in this proceeding becomes effective, and at that time USR-NY would become a carrier with respect to the Brookhaven line of railroad. Hall will remain in control of both entities. The transaction will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family.

The name, business address and telephone number of Applicant are: Gabriel D. Hall, 7846 Central Ave., Toledo, Ohio 43617; (419) 720-7588.

The name, business address and telephone number of counsel to whom questions regarding the transaction can be addressed are: Eric M. Hocky, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.

¹ At the time Mr. Hall also controlled U S Rail Holdings, LLC. However, Mr. Hall is no longer in control of U S Rail Holdings, LLC; it is now controlled by a non-carrier that does not control any other carriers.

² Copies of this Notice of Exemption are being served on the owner of the property Sills Road Realty, LLC, and on the Town of Brookhaven.

(a)(1)(ii) Hall intends that the assignment will be effective immediately upon the effective date of this exemption – on the 30th day following filing of this Notice of Exemption.

(a)(1)(iii) The purpose of the transaction is to create an independent stand alone railroad to construct and operate the Brookhaven Rail Terminal which will facilitate financing for the approved construction and subsequent carrier operations, while keeping all interests within the corporate family of entities controlled by Applicant. Applicant intends to apply to the Federal Railroad Administration for a Railroad Rehabilitation & Improvement Financing loan.

(a)(5) Hall currently controls U S RAIL which operates in Ohio and Indiana, and has rights to construct and operate in New York. He also controls USR-NJ which has authority to operate in New Jersey. Only the New York rail lines will be affected by this transaction.

(a)(6) Maps showing the location of the New York rail line that will be affected by the transaction is attached as Exhibit A. Twenty extra copies of the maps are also included. Additional maps and drawings related to the Brookhaven Rail Terminal have been filed of record in STB Docket No. FD 35141.

(a)(7)(ii) Attached as Exhibit B is a copy of the assignment from U S RAIL to USR-NY. There are no documents relating to Hall's common control of U S RAIL, USR-NJ and USR-NY.

Labor Protection

Since rail operations have not commenced in New York, no employees will be affected. Applicant recognizes that under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees.

However, since U S RAIL and USR-NY will both be Class III rail carriers, under 49 U.S.C. 11326(c), no labor protection may be imposed on this transaction.

Environmental and Historic Reports

Under 49 C.F.R. §1105.6(c)(2) and 49 C.F.R. §1105.8(b)(2) and (3), no environmental or historic documentation is required.

Respectfully submitted,



ERIC M. HOCKY
THORP REED & ARMSTRONG, LLP
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103
(215) 640-8500

Dated: December 21, 2010

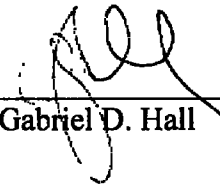
Attorneys for Gabriel D. Hall

VERIFICATION

I, Gabriel D. Hall, verify under penalty of perjury that the foregoing is true and correct.

Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on December 16, 2010.



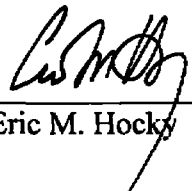
Gabriel D. Hall

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of December, 2010, a copy of the foregoing Notice of Exemption was sent by US mail, postage prepaid to:

Sills Road Realty, LLC
56 Comseagoon Road
East Setauket, NY 11733

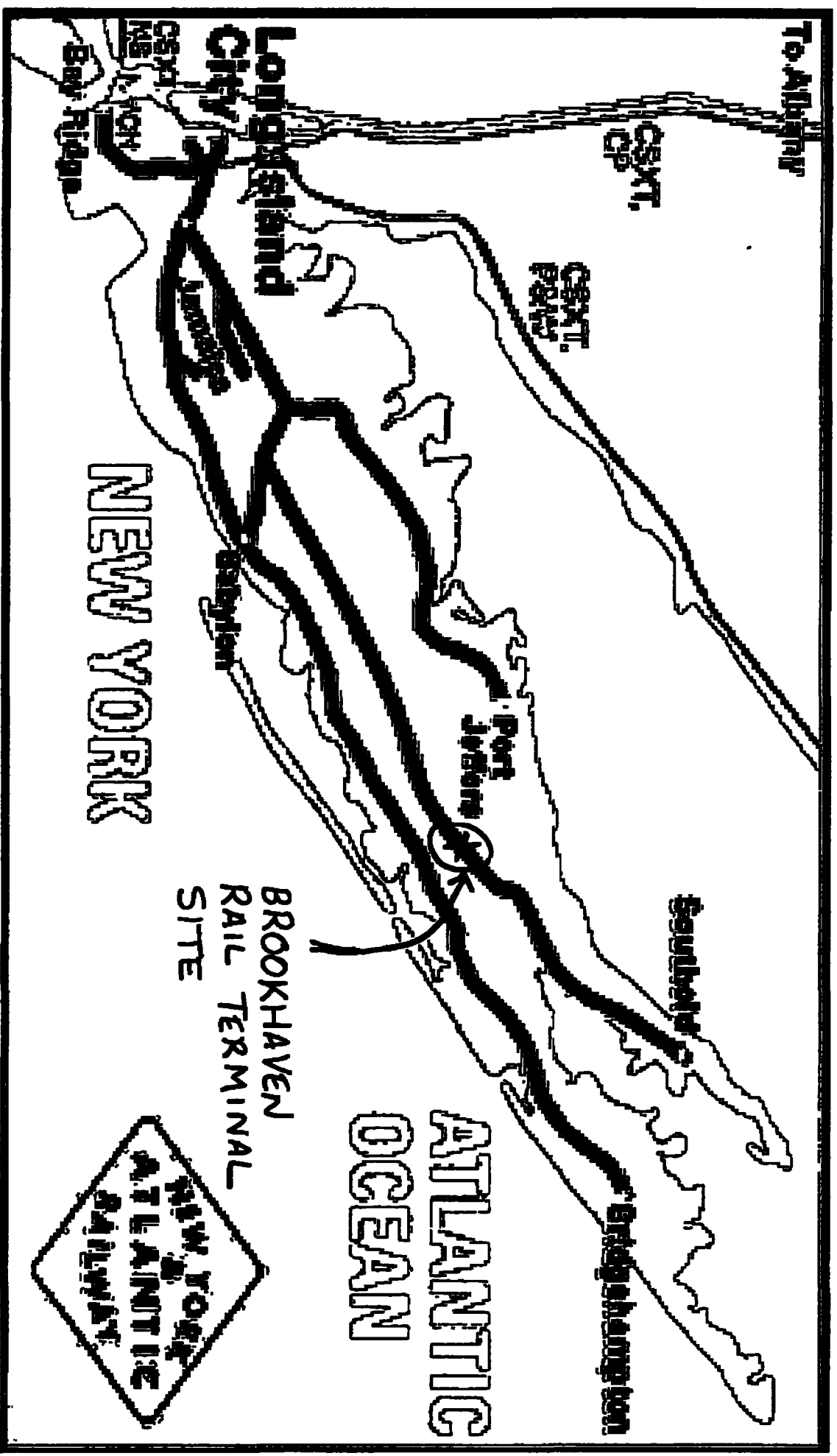
Mark A. Cuthbertson, Esq.
Law offices of Mark A. Cuthbertson
434 New York Avenue
Huntington, NY 11743



Eric M. Hocky

MAP

EXHIBIT A



To Albany

CSXT,
CP

CSXT,
PORT

Long Island
City

CSXT,
PORT
Bay Ridge

NEW YORK

Brooklyn

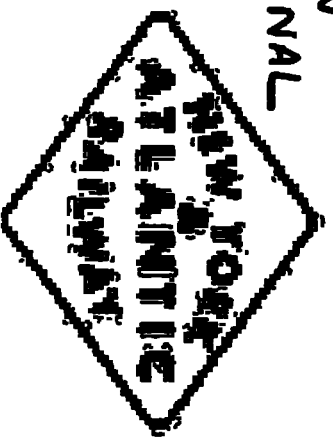
Port
Jervis

Saunder

Brookhaven

ATLANTIC
OCEAN

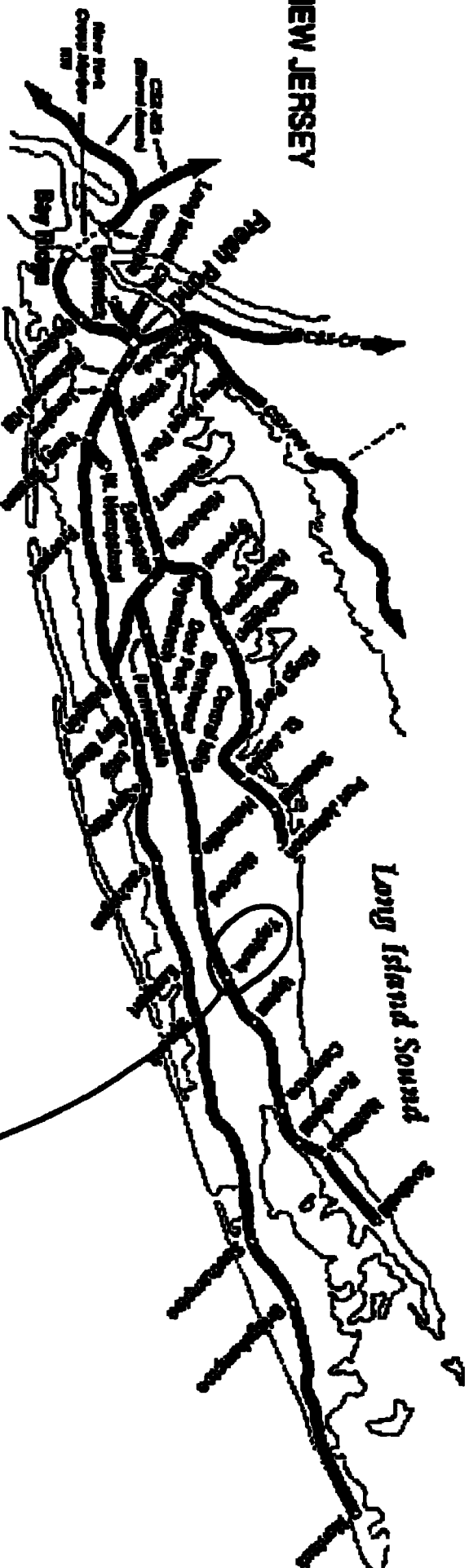
BROOKHAVEN
RAIL TERMINAL
SITE



NEW YORK

CONNECTICUT

NEW JERSEY



Atlantic Ocean

BROOKHAVEN
RAIL TERMINAL
SITE

ASSIGNMENT

EXHIBIT B

Assignment

This Assignment ("Assignment") is made as of December 1, 2010 by U S RAIL Corporation, an Ohio corporation, as assignor ("Assignor"), to U S Rail New York LLC, a Michigan limited liability company, as assignee ("Assignee").

For value received, Assignor assigns and transfers to Assignee all its right, title, and interest in and to (i) the Railroad Operating Agreement and Property Lease ("Agreement") by and between Assignor and Sills Road Realty, LLC and the premises leased thereunder ("Premises"), a copy of which has been provided by Assignor to Assignee, subject to all the conditions and terms contained in the Agreement, to have and to hold from the effective date hereof to the expiry of the Agreement and (ii) Assignor's authority to construct and operate a line of rail on the Premises granted by a decision ("Decision") of the Surface Transportation Board ("STB") on September 7, 2010 in Finance Docket No. 35141, subject to all the terms and conditions contained in the Decision.

Assignor represents that it is the lawful and sole owner of the interests assigned hereunder; that such interests are free from all encumbrances; that it has performed all duties and obligations imposed on it under the terms and conditions of the Agreement and of the Decision; and that it has made all payments required under the terms and conditions of the Agreement.

Assignee agrees to pay all rent due after the effective date of this Assignment under the Agreement and to assume and perform all duties and obligations required by the terms of the Agreement and of the Decision.

This Assignment shall be effective on the date of that the STB approves or exempts the transfer of authority to construct and operate from Assignor to Assignee.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the day and year first set forth above.

Assignor:

U S RAIL CORPORATION

By: 

Gabriel D. Hall
President

Date: 12-17-10

Assignee:

US RAIL NEW YORK LLC

By: 

Gabriel D. Hall
Managing Member

Date: 12-17-10

ACKNOWLEDGED AND AGREED

SILLS ROAD REALTY, LLC

By: _____
Andrew Kaufman
President